

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Security Administration
Lincoln 8, Nebraska

FARM SECURITY ADMINISTRATION SERVICES AVAILABLE TO VETERANS

THE FARM SECURITY ADMINISTRATION, an agency in the U. S. Department of Agriculture, makes loans to veterans with farming experience for the purchase of farms and farm and home operating needs. Loans are also made for the installation of water facilities.

Guidance in sound and efficient farming methods is provided on an individual, on-the-farm basis to each borrower to the extent it is needed. The purpose of this is to give borrowers a start in the kind of farming that can bring them success and security.

In the past ten years, FSA programs have aided nearly a million farm families who were unable to get the credit they needed from any other source. Among them are 35,000 veterans of the First World War. Since 1942, Farm Security has loaned more than \$21,000,000 to some 13,000 veterans of World War II. Most loans are of three kinds.

1. Forty-year loans for the outright purchase of family-type farms.

These are called "farm purchase" loans, and are made under the Bankhead-Jones Farm Tenant Act of 1937. For World War II veterans, the loans may cover the full purchase price of a family-type farm, plus the cost of any necessary repairs or construction. Loans are made only for farms selling at a price in line with their long-time earning capacity values. The top limit for a loan is \$12,000. Interest is 5 percent on unpaid principal. Borrowers are allowed 40 years to repay under a plan which calls for larger payments in years of good income and smaller payments in lean years.

Congress earmarked \$25,000,000 for farm purchase loans to World War II veterans during the 1945-46 fiscal year, and pending legislation calls for a similar amount to be so earmarked for the 1946-47 fiscal year. Other funds are also available to veterans. An eligibility requirement is inability to get adequate credit elsewhere on reasonable terms, OR a need must be shown for FSA's on-farm guidance.

2. Short-term loans for operating purposes

These are called "rural rehabilitation" loans. Many veterans are building up their ownership of operating items through this program before getting a loan to buy a farm. Rehabilitation loans may cover the cost of nearly every farm and home operating need-- farm machinery and equipment, livestock, feed and seed, fertilizer, household and canning equipment, clothing, medical care, and family subsistence.

The general limit on these loans is \$1,500, but never more than \$2,500. They are repayable in 1 to 5 years, depending on the purposes for which they are made, and the borrower's ability to repay. Interest is 5 percent. Loans are at present limited to applicants who cannot get adequate credit on reasonable rates and terms from other sources.

3. Loans for water facilities

Water facilities loans are made in the 17 Western States to individual farm families or to groups of families who cannot get adequate credit elsewhere for the type of water facility they need. Two kinds of loans are made -- (A) for farmstead facilities, to provide water for livestock, garden and home (does not include plumbing); and (B) for irrigation purposes. Farmstead loans can be made in every county in the 17 States. Irrigation loans are made only in approved areas.

The repayment period for each loan depends on the life of the facility and the debt-paying ability of the borrower. The maximum repayment period is 20 years. Interest is 3 percent. Engineering, legal, and other technical services are provided without cost to borrowers.

Services Which Accompany All Loans

FARM SECURITY provides individual guidance in good farm and home management practices with its loans. No charge is made for this service.

Each loan is based on a sound plan for farm and home management that is worked out by the borrower and his family. The plan shows the items the farmer will raise, his estimated operating expenses, and the income he may expect to make. The things called for on the plan are matters a farmer needs to know to be successful. They help him to get the most income from his work, obtain a good living for his family, and repay his loan.

A Farm Security Supervisor, who knows efficient farm methods, helps each family make and carry out the plan, to the extent the help is needed. He will supply information on how to select and care for livestock, plan crop rotations, and put other good farm methods into practice. In most rural counties, a Home Supervisor, trained in home economics, is also available to assist the family.

Where to Apply for Loans

There is an FSA office in most agricultural counties in the United States and applications should be made at the FSA office for the county where the veteran intends to farm. The County FSA Committee of three local farmers reviews each application to determine eligibility. It is desirable that the veteran locate an adequate farm before applying for a loan. But this is not essential, and in some cases the County FSA Supervisor or Committee may be able to suggest a good farm that is for rent or sale. The farm selected must be large enough and productive enough to give the veteran and his family full-time and profitable employment.